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ABSTRACT

A selected group of 17 Mexican American families who went to the Othello, Washington, area as migrant agricultural workers and tried to become a part of the resident population were studied to learn something of the earnings and spending habits of ex-migrant Mexican American families in Othello. To obtain accurate data on income and expenses, a detailed record book was placed in each participating home. In addition, an interview schedule was used in seeking socioeconomic information. The interview schedule yielded data on estimated incomes and expenses of the families during the 1968 calendar year. The record book yielded day-to-day information during a 2-month period. The decision makers in the families studied were found to have desires and motives much like those of other middle-class or lower-middle-class families. The most significant difference was that the families studied depended upon income from highly variable sources. Although family income was quite acceptable or even quite high during a given period, the accumulation of debts from past periods or the anticipation of future periods of low income often required that the family live at a level incommensurate with current income. (JH)

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# Income and expense records of 17 Mexican-American families

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# INCOME AND EXPENSE RECORDS OF 17 MEXICAN-AMERICAN FAMILIES

*Jerry L. LaGra and Paul W. Barkley*[1]

This circular deals with a selected group of Mexican-American families who came to the Othello, Washington area as migrant agricultural workers and who are now trying to become a part of the resident population of that community. The primary purpose of research leading to this circular was to learn something of the earning and spending habits of ex-migrant Mexican-American families in Othello. Considerable material on the socio-economic characteristics of the studied group is also presented. Such information should be particularly useful to the many agencies and institutions that are devoting increasing attention to problems facing agricultural laborers in the state.

## BACKGROUND AND PRELIMINARY STEPS

Othello, Washington is in the southwest corner of Adams County. Within a few miles of the town are thousands of acres of land irrigated by the Columbia Basin Irrigation Project. The town has grown from 536 persons in 1950 to nearly 4,000 in 1969. Othello residents depend almost entirely upon agriculture, and workers residing in the town find employment in field crop production (primarily potatoes, sugar beets and fruits). Several agricultural processing plants in town also hire low skilled laborers in the off season.

Since employment opportunities exist in both the fields and the processing plants, Othello has become an attractive place for Mexican-Americans. In 1962, slightly more than 10% of Othello's 1,163 families had Spanish surnames. By 1969, when this study was conducted, there were 381 families (22%) with Spanish surnames. While complete data are hard to find, one can surmise that nearly all of these Spanish-surnamed residents arrived as migratory laborers and settled out of the migratory stream to become permanent residents. It is these new settlers (most often referred to as ex-migrants throughout this report) that are of interest here. When over one-fifth of a local population is made up of ex-migrants who have particular cultural and ethnic characteristics, they cannot be ignored.

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[1]Former Graduate Research Assistant and Associate Professor of Agricul-Economics, respectively. Acknowledgment is due to Ralph A. Loomis, ERS-USDA for his considerable assistance in the early stages of this effort. Work was conducted under project 1974.

## SELECTING FAMILIES FOR STUDY

In this effort, families were selected from among the 150 Mexican-American families, using the Washington Citizens for Migrant Affairs Day Care Center in Othello[2]. The criterion for selection was simple: all those willing to cooperate were chosen. In a meeting among potential participants in the study, 21 families agreed to cooperate. Of these, 17 maintained enough interest to carry the project to completion. Therefore, extrapolation of data from this sample to a larger population may not be valid.

To obtain accurate data on incomes and expenses, a detailed record book was placed in each participating home. The record books included blank tables and the individual family's task was to record each item of income and each item of expense during a 2-month period (March and April, 1969). The workings of the books were explained to the families as a group, then on an individual basis. Arrangements were made to visit each family weekly to work out difficulties, answer questions and (perhaps more importantly) to maintain interest.

In addition to the income and expense record books, an interview schedule was used in seeking social and economic information. Since the families were contacted several times during the study, it was possible to ask the questions piecemeal and informally. As in the cases of the record books, 17 usable records were developed. The record books and the interview schedule provided data for the discussions that follow.

## SOCIO-ECONOMIC CHARACTERISTICS

The 17 families were relatively young. The modal age group of husbands was 26-30 years and that of wives, 21-25 years. Only 4 of the 34 adults studied (17 husbands and 17 wives) had completed 8 or more years of formal schooling. Most had received at least 4 years and only

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[2]Washington Citizens for Migrant Affairs (WCMA), was a privately endowed, nonprofit organization that worked with migrant workers and agricultural workers throughout the state. WCMA sponsored parent-child services (an educational program geared to aiding ex-migrants in their adjustment to a community), a day care center program providing day care for small children while mothers were employed or were occupied at home with other family activities, and communications workers to help migrant and ex-migrant families when language or cultural barriers existed between them and the remainder of the local community. Othello, at the time of the study, had both a day care center and a communication worker. Since this study was conducted, WCMA has been reorganized and is now called Northwest Rural Opportunities (NRO).

3 (all men) had attended school for less than 1 year. The 17 families included 64 children. Of these, 37 attended the WCMA Day Care Center, 21 were in the Othello public schools and 6 small children remained at home. The 21 attending public schools appear to reflect the earlier migratory status of their parents. Fourteen of the 21 were already 1 year behind their age group, 5 were 2 years behind, and 2 were 3 years behind[3].

At the time of the study, eight families spoke both Spanish and English comfortably, but usually preferred Spanish. The other nine families spoke very little English, although the school age children were often bilingual and acted as interpreters for the families when dealings with Anglo-Americans were required[4]. Sixteen of the families claimed church membership and the churches most often attended (Roman Catholic and Assembly of God) offered regular services in Spanish.

Prior to settling in the Othello area, each of the 34 adults in the study had been a member of the migrant labor force. Their reasons for becoming migrants (table 1) centered on their being influenced by parents and friends (12 out of the 34) and on the lack of options open to them (9 of the 34). Only one adult claimed to have chosen migrant work because he liked it. While they were migrants, all 34 adults had at some time found agricultural employment in Washington. The families also reported working in Texas, Oregon, California, and Wisconsin but Washington was the state most often visited. Thus, these families attempting to settle out of the migrant stream were familiar with the area where they wanted permanent residence.

One implicit reason for selecting Othello as a place of residence is the wide range of agricultural and nonagricultural jobs available in the area[5]. All 17 families said they had been employed in both farm and

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[3]Of the seven children two or more years behind, four were the oldest child in the family. They were then more likely to have been affected by the earlier migratory status of the parents.

[4]Much of the success and accuracy of the data gathering stage of this study may be attributed to the senior author's fluency in Spanish. All interviews were conducted in Spanish and the record books were printed in that language.

[5]Serious questions about causality can be raised here. Did the existence of a labor force invite development of jobs (industries to locate in Othello)? Or did the location of industries in the vicinity invite more laborers to appear? These extremely important questions are considerably beyond the scope of this report.

Nonfarm jobs since settling in Othello. Although the 17 family heads were not generally prepared for nonfarm work, they did have skills that would enable them to work much above the menial-task level (table 2). In addition to the skills shown in table 2, one family owned a truck and hired out as a trucking firm during the harvest season.

TABLE 1. Reasons for first becoming a migrant

| Reason | Number stating |
|---|---|
| Parents were migrants | 12 |
| Only employment opportunity open | 9 |
| Friends were migrants | 4 |
| Lack of education | 4 |
| Lack knowledge of English | 2 |
| Better pay | 2 |
| Liked migrant work | 1 |

TABLE 2. Skills possessed by heads of families

| Operating skill | Number possessing[a] |
|---|---|
| Tractor | 16 |
| Truck | 14 |
| Fork-lift | 8 |
| Crawler tractor | 7 |
| Combine | 3 |
| Scraper | 2 |
| Potato digger | 2 |

[a]Most respondents claimed more than one skill

Four family heads had worked in supervisory capacities running field labor crews and two had received some instruction in welding. Regardless of skills possessed, 9 of the 17 heads of families preferred nonfarm to farm employment (table 3). The reason most often given for this preference was the uncertainty surrounding farm employment. The transfer into nonfarm labor brings with it more assurance of year-round employment and income. One important reason for wanting to settle out of the migrant stream is to gain access to nonfarm employment. However, not all those who were studied were able to transfer to nonfarm work. Some common reasons were a lack of communication skills, a lack of opportunities in nonfarm jobs, lack of education, and a general fear of the nonfarm world.

During the interview period, 2 heads of household were not working[6], 11 had held their present job for less than 4 months, and only 4 had been employed at their present job for a year or more. When asked how they learned of their present job, nine said they had been told by a friend, five had made personal inquiries and three had learned from a relative. In no instance was an institutional device such as an employment service used to find a job.

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[6]In a strict sense, these two were out of the labor force because of industrial accidents. They should therefore not be designated "unemployed".

Even though tenure in employment was short, the families had averaged 4.35 years of residence in Othello. Most of the families liked the community and listed its positive attributes as including many job opportunities, little discrimination, and an active Mexican-American subculture. Negative comments about life in Othello centered on lack of adequate housing (or rent too high), inadequate clothing stores, and some police discrimination. Consistent through most questionnaires was the theme that these 17 families felt Othello to be a good place in which to bring up their children.

TABLE 3. Job preferences of 17 family heads

| Type of job preferred | Number specifying |
|---|---|
| Farm jobs | |
| Equip. operator | 6 |
| Field laborer | 2 |
| Nonfarm jobs | |
| Equip. operator | 4 |
| Mechanic | 2 |
| Processing plant employee | 1 |
| Butcher | 1 |
| Ditch rider[a] | 1 |

[a]Controls irrigation water flows in the canal systems found in large irrigated areas.

## ECONOMIC CHARACTERISTICS

The interview schedule yielded data on the estimated incomes and expenses of the families during the 1968 calendar year. The record book yielded day-to-day information on income and expense during a 2-month period. The following paragraphs fall into two parts. The first part deals with 1968 and includes some subjective information about desires and expectations. The second deals with the detailed 2-month accounts. It is clear that the 2-month data are much more accurate because of the way in which the data were gathered.

### Income and expense in 1968

For reasons that are not entirely clear, only 15 of the 17 families completed the portion of the questionnaire dealing with 1968 incomes and expenses[7]. Details regarding the 15 reporting families are in table 4.

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[7]The best explanation seems to be that the two families who were unable to complete their books lacked confidence in the research and in the researchers. If more time had been spent with them, it is likely that their responses would have been as adequate as the others.

TABLE 4. Estimated 1968 incomes of participating families, by source[a]

| Family number | Labor income: Farm $ | Farm % | Nonfarm $ | Nonfarm % | Total labor income | % earned by head of household | Nonlabor income, $ | $ Total income |
|---|---|---|---|---|---|---|---|---|
| 1 | 792 | 21.4 | 2,908 | 78.6 | 3,700 | 54.6 | 60 | 3,760 |
| 2 | 3,750 | 75.0 | 1,250 | 25.0 | 5,000 | 75.0 | 0 | 5,000 |
| 3 | 3,000 | 60.0 | 2,000 | 40.0 | 5,000 | 60.0 | 40 | 5,040 |
| 4 | 599 | 11.1 | 4,800 | 88.0 | 5,400 | 44.4 | 345 | 5,745 |
| 5 | 3,304 | 5.90 | 2,296 | 41.0 | 5,600 | 64.3 | NA[b] | 5,600 |
| 6 | 250 | 50.0 | 250 | 50.0 | 500 | 1.0 | 4,304 | 4,804 |
| 7 | 3,800 | 95.0 | 200 | 5.0 | 4,000 | 100.0 | 672 | 4,672 |
| 8 | 6,300 | 86.3 | 1,000 | 13.7 | 7,300 | 86.3 | 41 | 7,341 |
| 9 | 3,000 | 75.0 | 1,000 | 25.0 | 4,000 | 75.0 | 30 | 4,030 |
| 10 | 4,998 | 71.4 | 2,002 | 28.6 | 7,000 | 71.4 | NA[b] | 7,000 |
| 11 | 0 | 0 | 0 | 0 | 0 | 0 | 4,642 | 4,642 |
| 12 | 0 | 0 | 2,880 | 100.0 | 2,880 | 100.0 | NA[b] | 2,880 |
| 13 | 6,005 | 75.1 | 1,995 | 24.9 | 8,000 | 75.1 | 0 | 8,000 |
| 14 | 1,000 | 50.0 | 1,000 | 50.0 | 2,000 | 50.0 | NA[b] | 2,000 |
| 15 | 2,398 | 61.5 | 1,502 | 38.5 | 3,900 | 61.5 | 556 | 4,456 |
| Total | 39,196 | 64.8 | 25,084 | 35.2 | 64,280 | 73.5 | 10,690 | 74,970 |

[a]Two of the original 17 families were unable to make satisfactory estimates of 1968 income. They are omitted from the table.

[b]Not available but believed to be positive.

Total estimated family incomes ranged from $2,000 to $8,000, averaging $4,998.

The source of income varied greatly among families. Most of the families received a major share of their incomes from farm employment or from some combination of farm and nonfarm employment. Three families earned most of their incomes from nonfarm employment. Two of these three were among the lowest income families in the study. This raises important questions regarding the merits of transferring to nonfarm work. Two families received the major portion of their funds from state industrial insurance programs. In sum, the 15 families reported 56.4% of their cash income from farm employment, 30.6% from nonfarm employment, and 13.0% from nonlabor sources. Nonlabor sources included welfare or insurance payments, food stamp savings, etc.

In addition to identifiable nonlabor cash income, several families received noncash supplements to their earnings. One family received rent-free housing for a short time. Two families received free transportation, gas, and oil from their employers. Owing to a lack of precise information, no attempt was made to assign dollar values to perquisites such as these.

Estimated total expenditures made by the families on various items in 1968 are in table 5. Total expenditures of $64,138 were reported by families with reported total incomes of $74,970. The families admitted to savings of $2,980, leaving nearly $8,000 still unaccounted for. This is an error of more than 10% of total income and it must be due to errors in memory regarding the past year's expenditures or income. No other explanation appears reasonable.

Even though the income and expense totals do not balance, it is likely that some credence can be placed on the proportional distribution of expenditures among consumer items. Table 5 shows 15.2% of expenditures for rent, 5.6% for utilities, 34.4% for groceries, 20.9% for automobile expenses, and 24.0% for other items including clothing, furniture, recreation, donations, loan payments, medical expenses, etc. On the average, each family spent an estimated $648 on rent, $239 on utilities, $1,470 on foods, $892 on automobile expenses, and $1,026 on miscellaneous items during 1968.

As a group, the 15 families spent well over two thirds of their incomes in the Othello area. Four families estimated they spent more than 70% of their income in the area, 5 spent more than 80%, and 5 spent in excess of 90% locally. As would be expected, almost all purchases of food, medical attention, and gasoline were local. Major durable items such as television sets or automobiles were often bought outside Othello (table 6). The relatively low percentage of clothing purchased in Othello is consistent with earlier comments regarding a lack of suitable clothing stores in the area.

TABLE 5. Estimated 1968 expenses of participating families[a], by object

| Family Number | Rent | Utilities | Groceries | Automobile | Other | Total Expenditure |
|---|---|---|---|---|---|---|
| 1 | $ 660 | $ 192 | $ 1,404 | $ 740 | $ 208 | $ 3,204 |
| 2 | ---[b] | 240 | 1,116 | 204 | 3,796 | 5,356 |
| 3 | 700 | 360 | 1,284 | 1,840 | 1,500 | 5,684 |
| 4 | 660 | 240 | 1,932 | 940 | 675 | 4,447 |
| 5 | 780 | 360 | 1,500 | 895 | 1,580 | 5,115 |
| 6 | 1,020 | 180 | 1,440 | 1,265 | 420 | 4,325 |
| 7 | 660 | 204 | 1,200 | 556 | 500 | 3,120 |
| 8 | 660 | 192 | 3,000 | 1,035 | 930 | 5,817 |
| 9 | 600 | 144 | 960 | 690 | 500 | 2,894 |
| 10 | 780 | 360 | 1,596 | 1,320 | 600 | 4,656 |
| 11 | 660 | 240 | 1,800 | 535 | 930 | 4,265 |
| 12 | 600 | 200 | 960 | 400 | NA | 2,160 |
| 13 | 1,040 | 280 | 1,440 | 1,225 | 3,100 | 7,085 |
| 14 | 180 | 36 | 1,200 | 360 | NA | 1,776 |
| 15 | 720 | 360 | 1,224 | 1,380 | 550 | 4,234 |
| Total | $9,720 | $3,588 | $22,056 | $13,385 | $15,389 | $64,138 |

[a]Two of the original 17 families were unable to make satisfactory estimates of 1968 expenditures. They are omitted from this table.

[b]Family number 2 owned a trailer house and hence paid no rent. Time payments on the trailer are reflected in the large "other" expenditure.

The highly variable employment patterns of farm workers, of course, produces highly variable incomes. Some heads of household may hold as many as 10 jobs per year and their wives 3 or 4. In another year, the same people may hold only one job. The result is again highly variable income. When asked how 1969 income compared to 1968, nine heads of household expected differences. Seven felt their families would have more income in 1969; two families said they would have less.

Table 7 shows how the 17 families would have spent an increase in income. Each family stated two ways in which they would use any additional income. The fact that clothing and food are at the top of the table seems to indicate that there is unsatisfied demand for these basic items among Mexican-American families.

TABLE 6. Percent of specific kinds of purchases made in Othello and in Washington

| Item | % in Othello | % in Wash. |
|---|---|---|
| Food | 98 | 100 |
| Medical care | 97 | 100 |
| Gasoline | 95 | 99 |
| Auto repairs | 90 | 100 |
| Housewares | 82 | 100 |
| Television | 70 | 97 |
| Clothing | 59 | 97 |
| Car or pickup | 47 | 90 |

TABLE 7. Added purchases anticipated if income were to increase

| Item | Families specifying[a] |
|---|---|
| Clothes | 8 |
| Food | 7 |
| Savings | 7 |
| Pay bills | 4 |
| Car | 3 |
| Toys | 2 |
| House or furnishings | 2 |
| Entertainment | 1 |

[a]Each family listed two items.

The high rank of savings in this table is somewhat hard to explain. It is known that savings are quite often used to pay for vacation trips to Mexico or to the Desert Southwest during the winter. Family ties of the Mexican-American population in Othello with people in the southwestern states might cause heavy emphasis on such trips and hence, bring about a high interest in saving.

A parallel question inquired how purchases would be rearranged if income decreased. The responses are about as one would expect, but it is of particular interest that at least one of the families had become aware of bankruptcy (table 8).

Table 9 shows responses to a question about the desired income levels of the 17 families. Nine of the families would have been satisfied with less than $600 per month and 13 with less than $700. The most frequently mentioned desired monthly income was between $500 and $600. This monthly income would produce an annual income of $6,000-$7,200 and would compare favorably with the median income of all families in the United States.

TABLE 8. Reduced purchases in event of a decrease in income

| Item | Families specifying[a] |
|---|---|
| Luxury items | 8 |
| Bill payment | 8 |
| Clothes | 6 |
| Entertainment | 5 |
| Food | 4 |
| Toys | 2 |
| Would declare bankruptcy | 1 |

[a]Each family listed two items.

TABLE 9. Range of desired monthly income

| Monthly income | families specifying |
|---|---|
| $400-499 | 3 |
| 500-599 | 6 |
| 600-699 | 4 |
| 700-799 | 0 |
| 800-899 | 3 |
| 900-999 | 1 |

## Income and expense accounts: March and April, 1969

More detail about the family budgets of the 17 families is in tables 10 through 14. These tables display the amounts and sources of income and expenditures of the families during a 2-month period. Because of the method of collection (see above) it is felt that these data are quite accurate for the period.

March and April, 1969, were two quite different months for agricultural workers in the Othello area. March was too early for field work, so brought few opportunities for farm employment. On the other hand, April was a very busy month and most workers were able to find employment. For the 17 families, average income from all sources increased from $565 in March to $625 in April. Additionally, a greater proportion of income came from labor or employment sources in April than in March. In March, 10 families received income from nonlabor sources while in April, only 5 reported income of this type. Similarly, as employment in agriculture increased the total dollars borrowed decreased. In March, 8 families supplemented their incomes by borrowing $1,483. In April, 8 families borrowed a total of $954. (Five families borrowed in both months.)

TABLE 10. Labor income and other income received during 2-month period, by source

| Month and family | Labor income: Farm | Labor income: Nonfarm | Labor income: Odd jobs | Total labor income | Income through borrowing | Gifts and savings withdrawals | Total labor and misc. income |
|---|---|---|---|---|---|---|---|
| March | | | | | | | |
| 1 | | $ 610.12 | | $ 610.12 | | | $ 610.12 |
| 2 | | 497.17 | | 497.17 | | | 497.17 |
| 3 | $ 371.91 | 112.76 | | 484.67 | | | 484.67 |
| 4 | | | | | | | |
| 5 | 299.44 | 291.48 | | 590.92 | $ 115.00 | | 705.92 |
| 6 | | 642.14 | | 642.14 | | | 642.14 |
| 7 | | 666.16 | | 666.16 | | | 666.16 |
| 8 | | | $ 2.00 | 2.00 | 11.00 | | 13.00 |
| 9 | | | 7.00 | 7.00 | 15.00 | | 22.00 |
| 10 | 376.28 | 324.57 | 10.00 | 710.85 | 50.00 | | 760.85 |
| 11 | 191.98 | 46.00 | | 237.98 | 362.00 | | 599.98 |
| 12 | 333.46 | 268.49 | | 601.95 | 280.00 | $200.00 | 1,081.95 |
| 13 | | | | | | | |
| 14 | | 230.33 | | 230.33 | | | 230.33 |
| 15 | 301.00 | | | 301.00 | 300.00 | | 601.00 |
| 16 | | 143.80 | 60.00 | 203.80 | | | 203.80 |
| 17 | | | 9.46 | 9.46 | 350.00 | | 359.46 |
| March total | 1,874.07 | 3,633.02 | 88.46 | 5,795.55 | 1,483.00 | 200.00 | 7,478.55 |

(Continued)

TABLE 10 (continued)

| Month and family | Labor income: Farm | Labor income: Nonfarm | Labor income: Odd jobs | Total labor income | Income through borrowing | Gifts and savings withdrawals | Total labor and misc. income |
|---|---|---|---|---|---|---|---|
| April | | | | | | | |
| 1 | | $ 592.19 | | $ 592.19 | | | $ 592.19 |
| 2 | $ 256.50 | 267.35 | | 523.85 | | | 523.85 |
| 3 | 511.50 | 34.00 | | 545.50 | | | 545.50 |
| 4 | 370.00 | | | 370.00 | $ 50.00 | | 420.00 |
| 5 | 487.62 | 300.48 | $ 5.00 | 793.10 | 10.00 | $ 33.00 | 836.10 |
| 6 | | 567.70 | | 567.70 | 15.00 | | 582.70 |
| 7 | | 641.83 | | 641.83 | | 70.00 | 711.83 |
| 8 | | 55.41 | 11.00 | 66.41 | 2.00 | 20.00 | 88.41 |
| 9 | 21.00 | 248.00 | | 269.00 | 150.00 | | 419.00 |
| 10 | 430.21 | 259.53 | | 689.74 | | 100.00 | 789.74 |
| 11 | 382.00 | | | 382.00 | | | 382.00 |
| 12 | 485.00 | 195.50 | | 680.50 | 180.00 | | 860.50 |
| 13 | | | | | 47.00 | | 47.00 |
| 14 | 436.00 | 266.71 | | 702.71 | | | 702.71 |
| 15 | 434.00 | 98.70 | | 532.70 | | | 532.70 |
| 16 | | 431.57 | | 431.57 | | | 431.57 |
| 17 | 275.00 | | | 275.00 | 500.00 | | 775.00 |
| April total | 4,088.83 | 3,958.97 | 16.00 | 8,063.80 | 954.00 | 223.00 | 9,240.80 |
| Two-month total | $5,962.90 | $7,791.99 | $104.46 | $13,859.50 | $2,437.00 | $423.00 | $16,719.35 |

TABLE 11. Nonlabor income during 2-month period, by source

| Month and family | Welfare | Unemployment insurance | Food stamp (cash equiv.) | State industrial accident insurance | Stipends for attending school | Total nonlabor income |
|---|---|---|---|---|---|---|
| March | | | | | | |
| 4 | $ 78.50 | $66.00 | | | | $ 144.50 |
| 5 | 84.00 | | | | | 84.00 |
| 8 | | | | $ 541.00 | $177.60 | 718.60 |
| 9 | 216.00 | | $ 36.00 | | 50.00 | 302.00 |
| 11 | | | 14.00 | | | 14.00 |
| 13 | | | 36.00 | 329.00 | | 365.00 |
| 14 | 11.00 | | 28.00 | | | 39.00 |
| 15 | | | 71.00 | | | 71.00 |
| 16 | 90.00 | | 28.00 | | | 118.00 |
| 17 | 238.00 | | 24.00 | | | 262.00 |
| March total | 717.50 | 66.00 | 237.00 | 870.00 | 227.60 | 2,118.10 |
| April | | | | | | |
| 8 | | | | 352.00 | 81.00 | 433.00 |
| 9 | 291.00 | | | | | 291.00 |
| 13 | | | 36.00 | 329.00 | | 365.00 |
| 16 | | | 30.00 | | | 30.00 |
| 17 | 238.00 | | 22.00 | | | 260.00 |
| April total | 529.00 | | 88.00 | 681.00 | 81.00 | 1,379.00 |
| Two-month total | $1,246.50 | $66.00 | $325.00 | $1,551.00 | $308.60 | $3,497.10 |

TABLE 12. Summary of total expendable income for 2-month period

| Family number | Cash on hand beginning of period | March | | | | April | | | | Total expendable income in 2-month period |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Labor income | Nonlabor income | Other income[a] | Total | Labor income | Nonlabor income | Other income | Total | |
| 1 | $ 60.00 | $ 610.12 | | | $ 610.12 | $ 592.19 | | | $ 592.19 | $ 1,262.31 |
| 2 | 8.00 | 497.17 | | | 497.17 | 523.85 | | | 523.85 | 1,029.02 |
| 3 | 80.00 | 484.67 | | | 484.67 | 545.50 | | | 545.50 | 1,110.17 |
| 4 | b | 0 | $ 144.50 | | 144.50 | 370.00 | | $ 50.00 | 420.00 | 564.50 |
| 5 | b | 590.92 | 84.00 | $ 115.00 | 789.92 | 793.10 | | 43.00 | 836.10 | 1,626.02 |
| 6 | 30.00 | 642.14 | | | 642.14 | 567.70 | | 15.00 | 582.70 | 1,254.84 |
| 7 | 90.00 | 666.16 | | | 666.16 | 641.83 | | 70.00 | 711.83 | 1,467.99 |
| 8 | 25.00 | 2.00 | 718.60 | 11.00 | 731.60 | 66.41 | $ 433.00 | 22.00 | 521.41 | 1,278.01 |
| 9 | 25.44 | 7.00 | 302.00 | 15.00 | 324.00 | 269.00 | 291.00 | 150.00 | 710.00 | 1,059.44 |
| 10 | b | 710.85 | | 50.00 | 760.85 | 689.74 | | 100.00 | 789.74 | 1,550.59 |
| 11 | 5.00 | 237.98 | 14.00 | 362.00 | 613.98 | 382.00 | | | 382.00 | 1,000.98 |
| 12 | b | 601.95 | | 480.00 | 1,081.95 | 680.50 | | 180.00 | 860.50 | 1,942.45 |
| 13 | 0 | 0 | 365.00 | | 365.00 | 0 | 365.00 | 47.00 | 412.00 | 777.00 |
| 14 | 60.00 | 230.33 | 39.00 | | 269.33 | 702.71 | | | 702.71 | 1,032.04 |
| 15 | 140.00 | 301.00 | 71.00 | 300.00 | 672.00 | 532.70 | | | 532.70 | 1,344.70 |
| 16 | 10.00 | 203.80 | 118.00 | | 321.80 | 431.57 | 30.00 | | 461.57 | 793.37 |
| 17 | b | 9.46 | 262.00 | 350.00 | 621.46 | 275.00 | 260.00 | 500.00 | 1,035.00 | 1,656.46 |
| Total | $533.44 | $5,795.55 | $2,118.10 | $1,683.00 | $9,596.65 | $8,063.80 | $1,379.00 | $1,177.00 | $10,619.80 | $20,749.89 |

[a]Includes money borrowed, gifts, etc.

[b]Not available and believed to be quite small

When dealing with groups having low income earning potentials, the nonlabor portion of income is always of some interest and importance. During the 2 months, 10 of the 17 families received some form of nonlabor income. This ranged from $541 from state industrial insurance plus stipends valued at $117.60 for one family to food stamps that increased one family's purchasing power by only $14. The average receipt from nonlabor sources was slightly more than $210 per family receiving this type income in March and $276 per family in April. Most families receiving high payments from nonlabor sources had quite low labor incomes. In March, 5 of the 10 families receiving nonlabor incomes had labor incomes of less than $10. On the basis of data gathered here, there is little reason to suspect that these families consciously abused the various institutional means of supplementing a low income.

The proportion of total income earned by heads of household ranged from zero to 100%, averaging 57.7% in March and 70.0% in April. Earnings by household heads averaged $196.60 in March (a low employment-opportunity month) but rose to an average of $339.16 in April (a high-opportunity month). In this period, 10 of the 17 heads of household increased their percentage contribution to the family's income. The average increase in earnings by heads of household between March and April was greater than the increase in total expendable income for the same period. As earnings of heads of household increased, incomes from each of the other sources (public programs, wives' employment, and borrowing) decreased.

A number of peculiarities arise on the expenditures side of the ledger. Expenditures on some items varied between months and among families (table 13). Before the details are presented, it is well to recall that the highly variable income of the families through the year invites highly variable consumption patterns. Additionally, the winter of 1969 was particularly long and severe. This led to reduced work opportunities and hence reduced incomes in March. It also brought about extremely high utility bills during the winter and early spring.

Some of these bills undoubtedly were deferred, leading to high variation in expenditures on shelter and utilities. Payments for shelter and utilities are highly variable. They are impossible to analyze effectively because of the intermingling of utility payments with rent and because of the generally large amounts carried over from previous months. Other expenditure categories follow expected patterns. Food and transportation expenses are quite stable between months. With the exception of medical care, expenditures on other items increased between March and April for the group as a whole. This increase in expenditure resulted from increased purchases of items that were probably neglected through the low-income winter months.

The 17 families did not use all current income for purchases or for payment of bills. During March, three families saved a total of

TABLE 13. Expenditure records for 2-months period, by family

| Month and Family | Rent and utilities including telephone | Food, beverages and meals out | Clothing including laundry | Medical care | Transportation | Entertainment | Furniture and department store purchases | Fixed monthly payments excluding autos and housing | Misc. expenditures | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| March | | | | | | | | | | |
| 1 | $ 75.38 | $ 130.80 | $ 13.95 | $ 1.03 | $ 137.96 | $ 8.10 | $ 30.00 | $ 40.00 | $ 27.43 | $ 464.65 |
| 2 | 127.10 | 120.03 | 26.68 | 39.66 | 119.44 | 15.33 | 0 | 20.00 | 23.00 | 491.24 |
| 3 | 134.77 | 119.41 | 5.85 | 108.50 | 23.96 | 3.25 | 2.65 | 0 | 57.55 | 455.94 |
| 4 | 69.80 | 71.16 | 0 | 3.50 | 66.00 | 31.00 | 0 | 0 | 13.50 | 254.96 |
| 5 | 82.62 | 101.50 | 11.50 | 40.00 | 257.00 | 53.00 | 106.50 | 0 | 100.00 | 752.12 |
| 6 | 89.52 | 174.83 | 82.33 | 22.56 | 98.55 | 21.80 | 21.69 | 0 | 26.11 | 537.39 |
| 7 | 151.32 | 153.14 | 17.00 | 57.15 | 58.50 | 72.90 | 57.01 | 131.00 | 15.00 | 713.02 |
| 8 | 144.00 | 129.69 | 71.45 | 13.76[a] | 112.32 | 186.02 | 0 | 20.00 | 53.90 | 731.14 |
| 9 | 72.00 | 152.56 | 32.50 | 0 [a] | 90.00 | 0 | 2.38 | 0 | 0 | 349.44 |
| 10 | 101.00 | 296.87 | 57.26 | 51.70 | 43.90 | 8.35 | 47.22 | 5.00 | 59.62 | 670.92 |
| 11 | 304.50 | 90.21 | 10.50 | 33.05 | 18.00 | 0 | 70.30 | 20.00 | 10.25 | 556.81 |
| 12 | 184.00 | 153.03 | 35.00 | 124.00 | 234.00 | 27.00 | 36.38 | 36.00 | 44.10 | 873.51 |
| 13 | 113.70 | 158.17 | 5.83 | 0 [a] | 35.78 | 25.00 | 0 | 0 | 24.90 | 363.38 |
| 14 | 27.00 | 81.00 | 32.60 | 0 [a] | 133.37 | 0 | 0 | 31.00 | 11.37 | 316.34 |
| 15 | 253.50 | 140.38 | 48.70 | 6.14 | 135.00 | 0 | 60.95 | 117.52 | 14.70 | 776.89 |
| 16 | 82.60 | 130.85 | 16.53 | 3.96[a] | 73.70 | 2.39 | 2.00 | 0 | 3.60 | 315.63 |
| 17 | 93.00 | 92.97 | 4.09 | 0 | 238.00 | 22.00 | 33.48 | 0 | 116.00 | 599.54 |
| March total | $2,105.81 | $2,296.60 | $ 471.77 | $505.01 | $1,875.48 | $476.14 | $ 470.56 | $ 420.52 | $ 601.03 | $ 9,222.92 |

(Continued)

TABLE 13 (Continued)

| Month and family | Rent and utilities including telephone | Food, beverages and meals out | Clothing including laundry | Medical care | Transportation | Entertainment | Furniture and department store purchases | Fixed monthly payments excluding autos and housing | Misc. expenditures | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| April | | | | | | | | | | |
| 1 | $ 74.77 | $ 153.21 | $ 21.90 | $ 2.88 | $ 130.82 | $ 0 | $ 7.20 | $ 40.00 | $ 34.25 | $ 465.03 |
| 2 | 63.98 | 119.01 | 36.68 | 55.00 | 186.78 | 28.17 | 0 | 0 | 30.00 | 519.62 |
| 3 | 116.52 | 67.16 | 19.89 | 0 | 30.44 | 1.75 | 40.92 | 0 | 57.45 | 334.13 |
| 4 | 162.11 | 92.00 | 0 | 0 | 32.00 | 0 | 0 | 0 | 104.00 | 390.11 |
| 5 | 96.00 | 126.30 | 97.10 | 22.00 | 130.00 | 3.00 | 40.00 | 0 | 99.00 | 613.40 |
| 6 | 84.50 | 221.44 | 33.55 | 25.91 | 155.72 | 14.00 | 34.43 | 77.00 | 13.15 | 659.70 |
| 7 | 135.34 | 123.98 | 18.00 | 35.92 | 30.00 | 51.00 | 30.80 | 124.00 | 30.50 | 579.54 |
| 8 | 287.73 | 85.96 | 19.00 | 3.57 | 2.00 | 75.54 | 18.80 | 30.00 | 40.40 | 563.00 |
| 9 | 89.00 | 103.66 | 56.96 | 1.05 | 140.00 | 18.25 | 5.58 | 82.00 | 124.50 | 621.00 |
| 10 | 106.67 | 270.90 | 109.00 | 33.45 | 87.16 | 14.90 | 56.28 | 10.00 | 76.84 | 765.20 |
| 11 | 68.00 | 69.49 | 0 | 25.92 | 218.00 | 1.25 | 34.83 | 0 | 10.90 | 428.39 |
| 12 | 306.40 | 146.28 | 71.03 | 55.55 | 97.00 | 24.77 | 218.63 | 112.00 | 17.93 | 1,049.59 |
| 13 | 102.06 | 125.99 | 2.75 | 6.27[a] | 32.40 | 31.74 | 5.09 | 0 | 76.23 | 382.53 |
| 14 | 73.25 | 108.00 | 93.00 | 34.00 | 105.00 | 3.00 | 0 | 118.00 | 122.70 | 656.95 |
| 15 | 32.25 | 84.84 | 43.75 | 38.23 | 257.09 | 47.70 | 19.44 | 61.85 | 43.95 | 629.10 |
| 16 | 90.00 | 110.64 | 39.00 | 0 [a] | 46.00 | 23.75 | 7.50 | 0 | 105.00 | 421.89 |
| 17 | 110.72 | 112.86 | 12.24 | 8.30 | 62.40 | 11.00 | 82.73 | 70.00 | 527.52 | 997.77 |
| April total | 1,999.30 | 2,123.72 | 673.85 | 348.05 | 1,742.81 | 349.82 | 602.23 | 724.85 | 1,514.32 | 10,078.93 |
| Two-month total | $4,105.11 | $4,420.32 | $1,145.62 | $853.06 | $3,618.29 | $825.96 | $1,072.79 | $1,145.37 | $2,115.35 | $19,301.87 |

[a]Some financial assistance received from the State Department of Public Assistance.

$130 and five families bought money orders to send money out of Othello. The exact purpose of most money orders was not ascertained, but some were sent to relatives in other states and in Mexico. During the higher income month of April, six families saved $790 and seven sent money out of the area by money order. During the 2-month period, $920 was saved and $1,468.06 was sent from the area[7].

Expenditures for the 2-month period are reported another way in table 14. The average per-family expenditure for the 2 months was $1,135.00. More important is the percentage breakdown, which indicates that shelter, food, and transportation are the three most important items of expenditure for the families. These items together accounted for 63.0% of all expenditures made.

TABLE 14. Total and per family expenditures, by category, March and April, 1969[a]

| Category | Dollar expenditures | | Percent of total |
|---|---|---|---|
| | Total | Per family | |
| Rent and utilities | $ 4,105 | $ 241 | 21.2 |
| Food, beverage and meals out | 4,420 | 261 | 23.0 |
| Clothing and laundry | 1,146 | 67 | 5.9 |
| Medical care | 853 | 50 | 4.4 |
| Transportation | 3,618 | 213 | 18.8 |
| Entertainment | 826 | 49 | 4.3 |
| Furniture and department store purchases | 1,073 | 63 | 5.6 |
| Time payments[b] | 1,145 | 67 | 5.9 |
| Miscellaneous expenses | 2,115 | 124 | 10.9 |
| Total | $19,302 | $1,135 | 100.0 |

[a]This table includes only expenditures. Savings and money orders sent out of the area are discussed separately.

[b]Excluding housing and automobiles.

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[7]A commonly held notion is that the Mexican-American families of the Othello area send large sums of money to Mexico or to other western states. This notion arises from frequent observations of Mexican-Americans buying money orders. Our survey indicates that most money orders are used to pay local debts such as rent, car payments, etc., and that only a few are sent from the area. The nearly $1,500 sent from the area during the 2-month study period represents less than 15% of total income earned.

Casual inspection shows that expenditures reported by the 17 families do not balance with their reported incomes. On an individual family basis, expenditures reported in March ranged from 76.2% of income to 176.4% with an average of 96.1% for the entire group (table 15). In April, percentages ranged from a low of 61.3% to a high of 122.0%, but the average increased to 94.9%. For the 2-month period, the average reported expenditure was 93.0% of reported income. With the exceptions of families 3, 4, and 15, overspending and underspending appeared to be quite minor problems. In the cases in which extreme discrepancies existed, no readily understandable explanation appeared. Cash on hand at the end of the study period would bring the average 2-month reported expenditure up to 94.7% of expendable income, leaving 5.3% unexplained.

TABLE 15. Expenditures as a percent of total income

| Family | March | April | 2-month period |
|---|---|---|---|
| 1 | 76.2 | 78.5 | 77.3 |
| 2 | 98.8 | 99.2 | 99.0 |
| 3 | 94.1 | 61.3 | 76.7 |
| 4 | 176.4 | 92.9 | 114.3 |
| 5 | 95.2 | 73.4 | 84.0 |
| 6 | 83.7 | 113.2 | 97.7 |
| 7 | 107.0 | 81.4 | 93.8 |
| 8 | 99.9 | 108.0 | 103.3 |
| 9 | 107.9 | 87.5 | 93.9 |
| 10 | 88.2 | 96.9 | 92.6 |
| 11 | 90.7 | 112.1 | 98.9 |
| 12 | 80.7 | 122.0 | 99.0 |
| 13 | 99.6 | 92.8 | 96.0 |
| 14 | 117.5 | 93.5 | 100.1 |
| 15 | 115.6 | 118.1 | 116.7 |
| 16 | 98.1 | 91.4 | 94.1 |
| 17 | 96.5 | 96.4 | 96.4 |
| Average | 96.1 | 94.3 | 93.0 |

It is useful to compare the spending of the 17 Mexican-American families with spending habits of other groups of consumers. Because such comparisons must be made using secondary data, only gross parallels can be drawn.

Table 16 shows the percentage breakdown of expenditures among commodities for two identifiable populations and an estimated breakdown based on meeting several minimum requirements established by the Bureau of Labor Statistics. The percentage distribution in the first row is based on data relating to a typical rural nonfarm family of 5 with an annual income of $4,000-$5,000 in 1961. The entries in the final row were calculated from the Bureau of Labor Statistics' annual budget for a lower level of living for a 4-person family, in 1967.

Comparing the expenditures of the groups in table 16 makes several factors readily apparent. Even though the Othello families were larger, they spent a noticeably smaller proportion of their income on food. Similarly, they made smaller outlays for clothing and medical payments. Transportation is a much higher percentage of total expenditures among the Othello residents than in the other two distributions. One explanation for this high transportation expenditure is the former migrant's dependence on agricultural labor that may be short term in duration and at some distance from his place of residence. The Othello resident's expenditure patterns were higher than others for nonpersonal items such as housing and transportation. Those items that might affect the health of the 17 families (food, clothing, and medical expenses) received a smaller proportion of the Mexican-American's budget.

## Relationships between Othello and outside areas

No small economic area is entirely independent of those areas around it. Money comes into an area from outside and money flows out from those inside. Similarly, no set of people residing in a small area confine themselves entirely to that area. Outside ventures such as vacation trips, shopping trips and mail order purchases cause people to make expenditures outside the area with which they normally identify.

Local businessmen often raise questions about how much money residents receive from the community in contrast to the amounts they spend elsewhere. One serious objection to migrant agricultural laborers is that they come into a community, earn a good deal of money, and then move on before the money has been placed into the business flows of the local merchants. Some people also object to ex-migrant Mexican-American families because they do make some purchases outside the local area and, more particularly, because they send money to friends and relatives in other states and in Mexico.

This claim is a true one but an incomplete one. The 17 Mexican-American families described in this bulletin did spend money outside the area. Using percentages shown in table 6 and expenditures shown in table 13, the amounts taken outside Othello for purchases of consumer goods can be determined (table 17). Very modest sums were spent outside the community for the purchase of clothing, housewares, and television

TABLE 16. Percent of total family budget used to purchase specified types of goods and services by subsets of western population

| Subset of western population | Types of goods and services | | | | | | |
|---|---|---|---|---|---|---|---|
| | Food | Total housing | Transportation | Clothing | Medical | Recreation | Other family expense |
| Expenditures made by rural nonfarm families of 5 persons, western states, 1961[a]. | 28.0 | 26.0 | 13.8 | 11.6 | 6.5 | 3.4 | 10.7 |
| 17 Mexican-American families in Othello, Washington, spring, 1969. | 23.4 | 27.2 | 19.3 | 5.0 | 4.4 | 3.7 | 17.0 |
| Required to meet lower living standards for 4-person family, metropolitan areas, western states, spring, 1967. | 33.3 | 26.6 | 11.9 | 14.3 | 8.9 | --- | 5.0 |

[a]Source: Calculated from United States Department of Labor, *Consumer Expenditures and Income, Rural Nonfarm Areas in the Western Region, 1961*, Supplement 3 to BLS Report No. 237-87 (Washington, D. C.: Bureau of Labor Statistics), pp. 87-98.

sets but nonlocal purchases of cars, pickups, and trucks were quite high. Additionally, nearly $1,500 was sent out of the area by money order. Assuming the 2-month study period adequately represents one sixth of the year's activities, the 17 families sent $25,632 per year from the area.

TABLE 17. Expenditures made outside Othello by the 17 families in March and April, 1969

| Expenditure item | Total expenditures | % spent outside Othello | Amount spent outside Othello | Amount on annual basis |
|---|---|---|---|---|
| Food | $ 4,565 | 2 | $ 91 | $ 546 |
| Medical | 866 | 3 | 26 | 156 |
| Gasoline | 939 | 5 | 47 | 282 |
| Car repairs | 617 | 10 | 62 | 372 |
| Housewares | 1,542 | 18 | 278 | 1,668 |
| Television | 417 | 30 | 125 | 750 |
| Clothing | 961 | 41 | 394 | 2,364 |
| Car-pickup-truck | 3,360 | 53 | 1,781 | 10,686 |
| Money orders | 1,468 | 100 | 1,468 | 8,808 |
| Total[a] | $14,735 | | $4,272 | $25,632 |

[a]This does not sum to total expenditures reported earlier. Items such as rent which are local by definition are excluded.

At the same time, however, the families received income and payments from outside sources. During the 2-month study period, these amounted to $3,920 or $23,520 on an annual basis (table 18). The net export of funds that can be attributed to these families is only slightly more than $2,000 per year.

TABLE 18. Income received from outside the Othello area

| Source of income | 2-months | On annual basis |
|---|---|---|
| Public assistance programs | $1,312 | $ 7,872 |
| Food stamps | 325 | 1,950 |
| State industrial insurance | 1,551 | 9,306 |
| Stipends | 309 | 1,854 |
| Gifts | 423 | 2,538 |
| Total | $3,920 | $23,520 |

## DISCUSSION

The decision makers in the families described above have desires and motives much like those of other middle class or lower middle class American homes. The most significant difference is the family's dependence upon income from highly variable sources. The family's well-being is intimately intertwined with agriculture and is, of course, related to weather, the incidence of disease, and technological advancements becoming available to agricultural producers. In any single period the family's income may be quite acceptable or even quite high, but the accumulation of debts from past periods or the anticipation of future periods of low income may well require that the family live at a level incommensurate with its current income.

The community of Othello has at this time a Mexican-American subculture of viable size and one that is likely to increase in size. While this circular seems to describe some economic and sociological characteristics of a small subset of the Othello population, it in no way answers the major problems facing Mexican-American ex-migrants, or agricultural workers. It is hoped that in future months, continued research will yield additional insights into problems faced by these groups and by the groups that live with them, work with them, and seek to serve them.